

To the American People:

Powerful interests in the United States are attempting to put the responsibility for the present high price of binder twine upon the *Comision Reguladora del Mercado de Henequen*, a co-operative selling organization composed solely of the sisal farmers of the State of Yucatan, Mexico, under the control of the State Government. In view of the widespread campaign that is being conducted against this organization, and the false impressions that are being created thereby, we feel that it is our duty to inform the American people that sisal (one of the fibres from which binder twine is made) has been and still is the cheapest hard fibre obtainable in the American markets, and we submit herewith irrefutable data in substantiation of this statement.

BINDER TWINE MADE FROM YUCATAN SISAL SHOULD BE SOLD TO THE AMERICAN FARMERS THIS SEASON AT A PRICE SEVERAL CENTS PER POUND BELOW THE PRICE OF TWINE MADE FROM MANILA HEMP OR ANY OTHER FIBRE.

It is true that the price of sisal fibre has increased since December from 10 $\frac{3}{8}$ cents per pound to 16 $\frac{1}{2}$ cents, the price at which February-March shipments are now being offered, but the prices of all other similar fibres have increased in like proportion, as the figures given below will prove.

In 1916 Yucatan obtained approximately \$40,000,000 for her entire crop of sisal fibre. Every cent of that sum, with the exception of approximately \$1,000,000, remained in the United States, representing the purchases made by the Yucatan farmers and merchants in this country. Yucatan produces practically nothing except sisal fibre, and buys her food, clothing and other necessities of life in the American markets, where prices of all commodities have soared to the highest levels ever attained. Thus the money that the American farmers paid, indirectly, to the Yucatan farmers came right back to them in the shape of payments for wheat, corn, flour, cotton and woolen goods, and the thousand and one other necessities of life that Yucatan is compelled to buy in the American markets.

THE INCREASE IN THE PRICES OF ALL COMMODITIES, SISAL AND ALL OTHER FIBRES INCLUDED, IS DUE TO THE GENERAL CONDITION OF THE WORLD MARKETS, AND THE LAW OF SUPPLY AND DEMAND IS THE SOLE CONTROLLING FACTOR. THEREFORE, IT IS ILLOGICAL, UNJUST AND MALEVOLENT TO IMPUTE TO THE COMISION REGULADORA RESPONSIBILITY FOR THE HIGH PRICE OF BINDER TWINE.

In the face of the indisputable facts here set forth, we confidently anticipate that the keenly-observant, fair-minded American people will easily discern that the attacks made upon Yucatan's co-operative organization have emanated from persons who are inspired by purely selfish motives. Prior to the organization and effective operation of the *Comision Reguladora del Mercado de Henequen* certain middlemen were enabled to accumulate large fortunes in consequence of their control of the sisal market. Yucatan's co-operative marketing organization has effectually eliminated speculators and middlemen of every sort from the sisal market, and, naturally, the loss of this source of revenue has caused them to attempt to accomplish the disruption of the *Comision Reguladora* and the reinstatement of themselves as the dominant factors in the marketing of Yucatan's only agricultural product.

WE ASK ONLY THAT THE AMERICAN PEOPLE GIVE THOUGHTFUL CONSIDERATION TO THE REAL UNDERLYING FACTS OF THIS SO-CALLED "SISAL CONTROVERSY" AND NOT GIVE SUPPORT UNWITTINGLY TO THE SELFISH AND POWERFUL INTERESTS THAT ARE HIDDEN BEHIND THIS VERY EXTENSIVE CAMPAIGN AGAINST THE COMISION REGULADORA. Study the Manila hemp market as well as the Yucatan sisal market, and do not give to your neighbor in Yucatan a degree of justice that is less than that which you give to the Filipino, whose fibre also is used for making binder twine.

YUCATAN FARMERS' MARKETING SYSTEM

The *Comision Reguladora del Mercado de Henequen* (Commission for Regulating the Sisal Hemp Market) is a co-operative marketing organization, composed entirely of sisal farmers, under the control of the government of the State of Yucatan.

It was created in January, 1912, by special act of the legislature of Yucatan and was reorganized in November, 1915.

The board of directors—ten in number—is composed solely of sisal planters of Yucatan.

None but the farmers derives one cent of profit from its operation.

All the sisal growers of Yucatan, and of the adjoining state of Campeche, are members of the organization and participate in its benefits in the exact proportion to the number of pounds of fibre each delivers to the association for marketing.

After deducting the expenses of operation, federal and state taxes, cost of transportation and warehouse charges, the remainder of the proceeds of sale is divided among the farmers at the end of each commercial year.

The sisal is sold to American manufacturers, large and small, direct, at the same price, saving them the commissions heretofore paid to the middleman.

THE MIDDLEMAN IS ELIMINATED

Prior to the organization of the *Comision Reguladora* the Yucatan sisal market was absolutely controlled by speculators—two buyers, who made deliveries to the two principal American twine manufacturers, and bought annually from 90 to 98 per cent. of the entire sisal production. They arbitrarily fixed the prices at which the farmer had to sell his product. They accumulated millions of dollars through their operations. They loaned money to the Yucatan farmer and took as security mortgages on sisal plantations or liens on the sisal crops. In many cases the money was repayable in fibre, at prices fixed by the buyers. Often the price was far below the prices of competitive fibres of equal strength and usefulness in the manufacture of binder twine.

LAW OF SUPPLY AND DEMAND GOVERNS

With the possible exception of one or two weeks, there has not been a single day since the *Comision Reguladora* relieved the market from the control of the middlemen when sisal fibre has sold at a higher price than even the lowest of the twine grades of Manila hemp, its principal competitor.

Testimony given before the U. S. Senate Agricultural Committee at Washington shows that the following grades of Manila hemp are used in the manufacture of binder twine: Fair Current, Government F (Current), Midway and Good Current. Sisal fibre is selling today on a parity with the lowest of these grades of Manila hemp and from 2 $\frac{1}{2}$ to 8 $\frac{1}{2}$ cents per pound below the other grades.

The Philippine Islands (United States territory) produce approximately 1,100,000 bales of Manila hemp annually. Yucatan produces approximately the same amount of sisal. If the price of Yucatan's sisal were arbitrarily put at a figure above its intrinsic value as compared with Manila hemp, the manufacturers would, naturally, buy the latter fibre. Competition between sisal and Manila hemp is very active at all seasons of the year. Yucatan's million bales are constantly matched against the million bales from Manila. And, in the competition, YUCATAN SELLS HER FIBRE FOR LESS THAN THE PRICE OF MANILA HEMP.

The chart here given proves our assertion and upholds our position. The chart was made by the American Draughting Company, of New York, and is based on quotations printed semi-monthly in the *Cordage Trade Journal* of New York. A look at the chart will show that the price of sisal fibre is, and has been, on a level below that of other binder twine fibres. It proves that the American farmer should get sisal binder twine this season much cheaper than twine made from other fibres.

THE AMERICAN FARMER'S POSITION

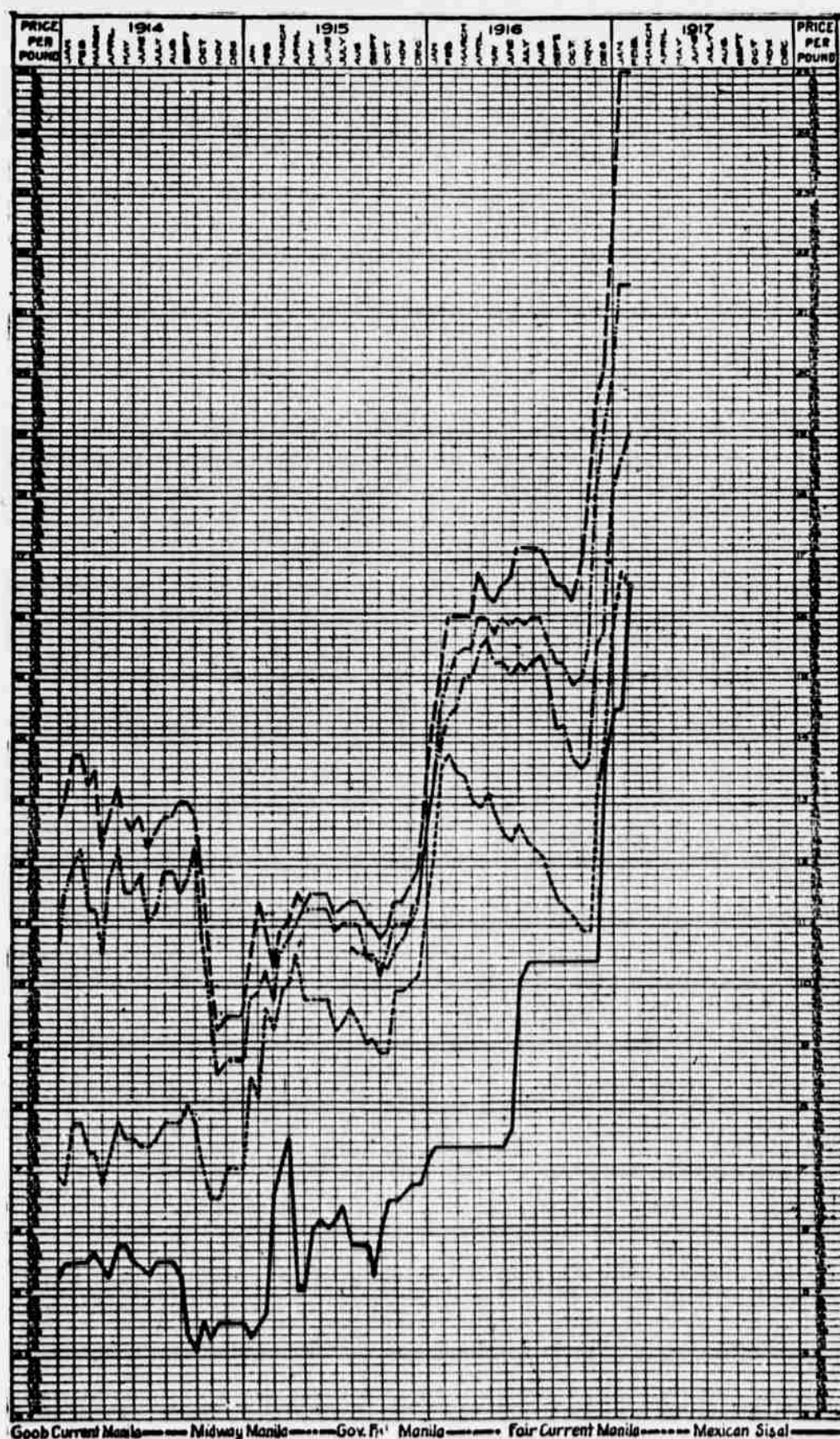
It has been charged, for the purpose of injuring the *Comision Reguladora*, that Yucatan "robbed" the American farmer in 1916 of more than \$4,000,000 by reason of the increase in the cost of binder twine as compared with 1915. Yucatan did get more for her sisal last year than she obtained in 1915. The American farmer, however, got a far greater increased price for the products of his farm. According to the report of the United States Agricultural Department, Bureau of Crop Statistics, the American grain farmers received approximately \$803,000,000 more for their corn, wheat, oats, rye and barley in 1916 than they got for their 1915 crop. Yet they harvested a billion

bushels less in 1916 than in 1915 and the area harvested was nearly 7,000,000 acres below that of 1915!

THE INCREASED COST OF BINDER TWINE TO THE AMERICAN FARMER IN 1916 WAS APPROXIMATELY FIVE CENTS PER ACRE, YET HIS INCREASED REVENUE FROM HIS GRAIN CROPS WAS SEVERAL DOLLARS PER ACRE MORE THAN IN 1915.

Yet the maligners of the *Comision Reguladora* craftily shriek "monopoly" and "robbery" at the farmers of Yucatan whose proceeds from the sale of sisal came right back to the United States!

Last year Yucatan paid \$11 to \$12 for American flour, against \$5.50 to \$6.00 the year before, paid almost double for the corn and wheat she imported, more than double for potatoes and beans, much higher prices for bacon, ham, butter, eggs, canned goods, machinery, clothing, cotton goods, etc.



NOTE.—The above chart shows monthly quotations of sisal and the binder twine grades of Manila hemp. The solid black line represents Yucatan sisal; please observe that it is the LOWEST in every month.

COST OF PRODUCTION HIGHER

THE COST OF PRODUCTION OF SISAL FIBRE IN YUCATAN HAS MORE THAN DOUBLED IN THE PAST 18 MONTHS in consequence of the admirable social reforms inaugurated by Governor Alvarado's administration. Peonage has been abolished and the field laborer is now a free man and must be paid living wages. Instead of working for a pittance, as they did prior to the present revolutionary reforms, the laborers now receive from \$1.50 to \$3.00 (American gold) per day. The day's labor is limited by law to eight hours and the working week to five days; child labor is prohibited, female labor is strictly regulated, working conditions have been improved at considerable cost to the planters, public schools have been established on each sisal plantation at the expense of the farmers and the labor law provides compensation to laborers for accidents and sickness besides compelling the farmers to provide old age pensions and otherwise safeguard and protect the health of the laborers.

Hundreds of Americans are going to Yucatan now because of the improved labor conditions, good wages, equitable laws and just treatment.

STATISTICAL POSITION OF SISAL

One year ago when Yucatan sisal was selling for 7 $\frac{1}{4}$ cents, New York, there was a large surplus of sisal on hand and the indicated production for the first six months of 1916 was large. On January 1, 1917, there was an actual shortage in the visible supply of nearly 300,000 bales, and an indicated decrease in production during 1917 of at least 25 per cent.

Here is a statement of the world's visible supply of sisal fibre on January 1, 1917, subject only to minor corrections, as compared with the same date a year ago:

	1916, Bales.	1917, Bales.
Stock at Progreso, Yucatan, January 1.....	107,786	22,075
Stock in U. S. warehouses, January 1.....	118,825
Stock afloat, January 1.....	14,167	27,304
Stock at Merida and Campeche, January 1.....	110,900	39,762
	351,678	89,141
Shortage January 1, 1917.....		262,537

COMPARATIVE CORDAGE PRICES

The following table shows comparative prices of various cordage and proves that Yucatan sisal is merely following the market trend:

	Jan. 1, 1916.	Feb. 1, 1917.	Increase.
Pure Manila rope.....	13 $\frac{3}{4}$	23	.09 $\frac{3}{4}$
Manila rope, 2nd grade.....	12 $\frac{3}{4}$	22	.09 $\frac{3}{4}$
Manila rope, 3rd grade.....	10 $\frac{3}{4}$	20	.09 $\frac{3}{4}$
Sisal rope, 1st grade.....	9 $\frac{3}{4}$	19	.09 $\frac{3}{4}$
Sisal rope, 2nd grade.....	8 $\frac{3}{4}$	18	.09 $\frac{3}{4}$
Cotton rope, 1st grade.....	20	29	.09
Cotton wrapping twine, 1st grade.....	20	35 $\frac{1}{2}$.15 $\frac{1}{2}$
Sea Island twine.....	30	44	.14
Braided sash cord.....	22	32	.10

Italian hemp twines have increased more than 10 cents per pound, jute twines are from 6 to 10 cents per pound higher and all other fibre products have soared in like proportion, some cotton yarns being up more than 20 cents per pound.

A FINAL WORD TO THE PUBLIC

There is now pending in the United States Senate a bill, known as the Webb bill, which specifically authorizes combinations of American manufacturers to deal only in foreign commerce. The bill has the approval of President Wilson and already has passed the House of Representatives by a majority in the proportion of 8 to 1. Such combinations of manufacturers are prohibited in the United States, and it is the purpose of the Webb bill to legalize these "combinations" for foreign trade only. The expressed purpose is to build up the trade of this country with Latin America.

How, then, can this country consistently object to an association of farmers in Yucatan organized solely for mutual help in the marketing of their crops, especially when the association is under regulation by its Government? Will any such inconsistent policy encourage Latin America to do still more trading with the United States?

In conclusion, we say again, study Yucatan's position with an open mind and accord to her and her farmers the measure of justice that Americans would demand for themselves.

Comision Reguladora del Mercado de Henequen

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